



Testing of Quinn Mesa 113 Well

Quinn Mesa 113 Well

Helios Energy Ltd (ASX Code: HE8) (**Helios** or **Company**) has commenced perforating and testing the primary target zones within the San Carlos Sandstone interval of the Quinn Mesa 113 well. Testing of the well has been delayed by the unusually poor weather conditions in Texas and the Christmas operations shut-down.

The main zone of oil and gas shows in the San Carlos Sandstone Formation was firstly perforated and then acidized and subsequently swabbed. Swabbing recovered low temperature and low salinity water and this strongly suggests that the water has come from a different formation at shallower depth, highly likely via channels in the cement behind the casing. In order to solve this not uncommon problem, so that valid swab testing for oil and gas from the San Carlos Sandstone Formation can proceed, Helios is now preparing to utilize a conventional oil industry method to 'squeeze-off' the unwanted water by using a water blocking polymer sealer to isolate the target perforated zone in the San Carlos Sandstone Formation.

It is anticipated that this 'squeeze job' will take about one week to complete. Assuming successful completion of this 'squeeze job', the main zone of oil and gas shows in the San Carlos Sandstone Formation will then be re-perforated and re-acidized. It will then be swabbed for oil and gas from the San Carlos Sandstone Formation.

For further information, please contact:

Richard He
Managing Director

ASX Code: HE8

Directors

Hui Ye
Non-Executive Chairman
Richard He
Managing Director
Nicholas Ong
Non-Executive Director
Gary Steinepreis
Non-Executive Director and
Company Secretary

Contact Details

Australian Office

Level 3, 18 Richardson Street
West Perth WA 6005 Australia
PO Box 1485 West Perth
WA Australia 6872
Tel +61 1300 291 195
Fax +61 8 6298 6191

USA Office

2 Riverway, 17th Floor
Suite 1710, Houston
Texas USA 77056
Tel +1 713 333 3613
Fax +1 713 583 0965

www.heliosenergyld.com